

Burning Economic Issues

- Brent trading at \$67.20pb on positive sentiment
- External reserves stay firmly below \$42.8bn
- Naira stays flat at N360/\$ at parallel market
- Power output up at 4408MWh/h – distribution still challenged
- Cocoa prices up to \$2,350/mt (8.4%) in February
- E-payment transactions up by 32% to N138trn in 2018

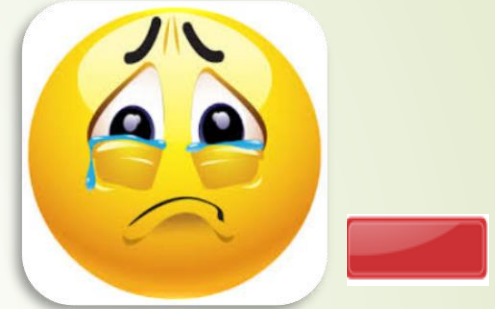
Impact

The Goodies



- Rise in cocoa prices positive for export earnings
- Naira flat at N360/\$ in spite of election risk

The Downers



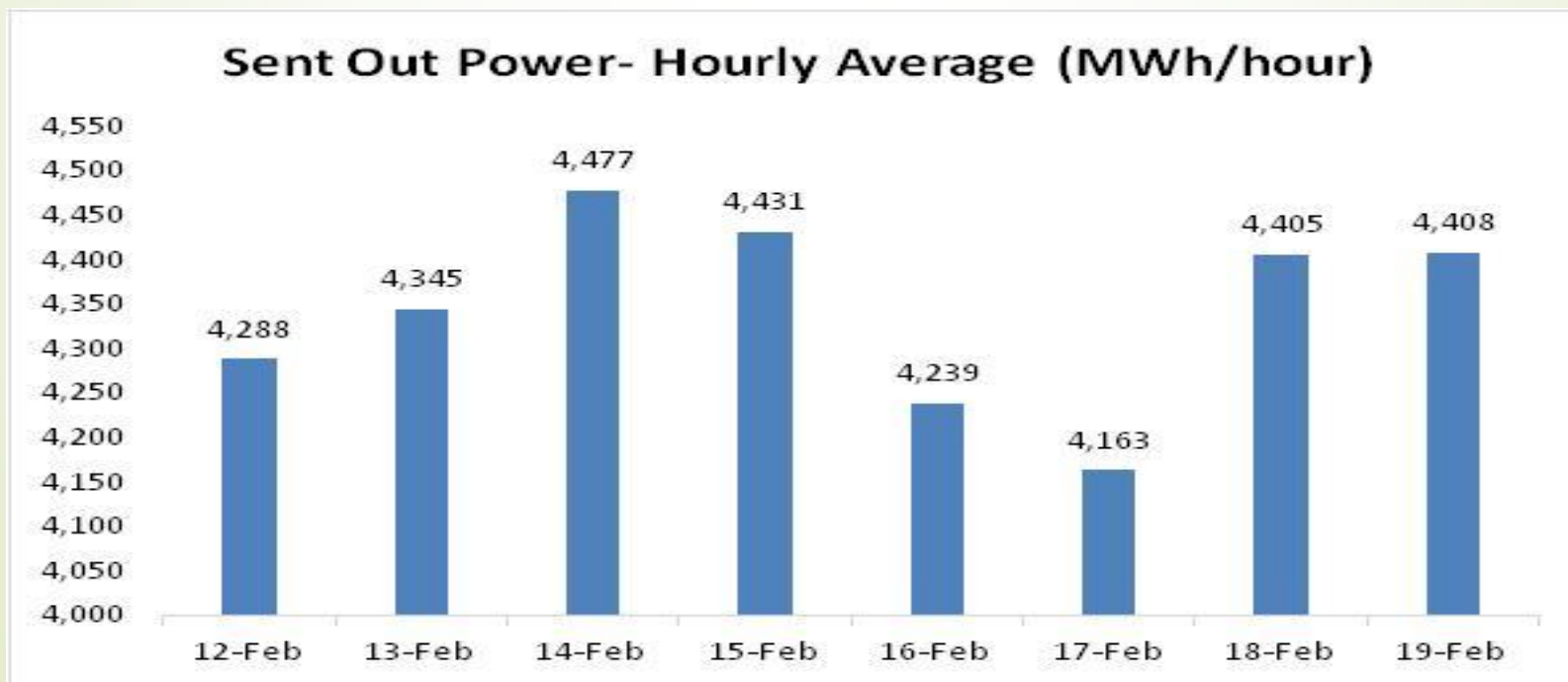
- External reserves slippage sign of currency weakness
- IEFX window down to N362/\$
- Fed reserve minutes confirm bias towards higher interest rates in 2019

Power Sector

February 19th





- Average power output: 4,408MW/h (up by 3.28MW/h)
- Gas constraint stood at 2,332.95MWh/h, grid constraint at 575.5MWh/h and water constraint at 150MWh/h
- Naira equivalent of power loss: N1.46billion (annualized at N536.55billion)

State	Temperature(noon-time)
Abuja	23°C
Kano	16°C
Lagos	27°C










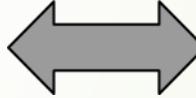

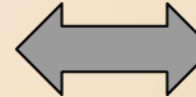




Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N10,000	N10,000	↔	N6,000	N25,000
Semovita (10kg)		N2,800	N2,800	↔	N1,800	N3,500
New Yam (medium size)		N700	N500	↑	N400	N1,900
Sugar (50kg)		N14,900	N14,900	↔	N8,000	N20,000

Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N7,150	N6,850		N6,500	N16,000
Rice (50kg) 	N14,000	N15,000		N13,000	N22,000
Flour (50kg) 	N11,000	N11,000		N8,500	N11,100
Beans (Oloyin)(50kg) 	N20,000	N20,000		N12,000	N34,000
Cement (50kg) 	N2,550	N2,550		N1,400	N2,700
Tomatoes (50kg) 	N6,000	N6,500		N6,000	N20,000
Pepper (bag) 	N5,000	N5,000		N5,000	N15,000

- Mixed movement in domestic commodity prices

Consumer Goods – Current price

Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
Beer (60cl)	N260	N300	-15.30%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,100	-15.5%
Gala (big size)	N100	N100	0%

Domestic food prices remain flat

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Stock Market

- NSE ASI  0.64% to 32,614.06pts on February 20th
- Consumer goods sub index:  1.43% to 765.50pts

	Share Prices (₦)	Daily % Change (February 19 th – 20 th)	YTD (% Change)
Nestle	1,580	 1.25	 6.39
Honeywell	1.30	 -	 1.56
Flour Mills	20.75	 1.19	 10.17
Cadbury	11.50	 -	 15.00
Dangote Sugar	15.15	 -	 0.65
Unilever	43.00	 1.38	 16.21
Ikeja Hotels	1.81	 -	 18.3
Newrest ASL	6.45	 -	 18.35

Oil Markets Today

COMMODITY	DAILY CHANGE February 20 th – 21 st	YTD	CURRENT PRICE
BRENT	 0.17%	 24.86%	\$67.20pb
WTI	 0.47%	 26.31%	\$57.19pb
NATURAL GAS	 0.37%	 9.86%	\$2.65MBtu

Oil Prices

- Brent crude up 0.17% to \$67.20pb
- On positive sentiment
- Rising US stockpiles



Agricultural Commodities

Wheat



• Wheat prices down by 0.60% to \$4.95/bushel

• Due to lower global demand

Corn



• Corn prices up by 0.26% to \$3.81/bushel

• Despite a surge in Ukrainian corn export

Cocoa



• Cocoa prices increased by 0.47% to \$2,350/MT

• As sub-optimal rainfall threatens Ivory Coast's cocoa production

Sugar



• Sugar prices rose by 1.77% to 0.1323/pound

• Driven by a drop in India's sugar production

OUTLOOK – Oil Prices



- Prices to not fall below current levels:
 - Continuous commitment to OPEC production cut
 - Optimism on US-China trade truce
- Brent to trade within the range of \$66-\$68pb in the short term

OUTLOOK – Agricultural Prices

GRAINS

- Wheat prices to sustain its trend in the coming weeks on strong Russia wheat export

SOFTS

Sugar

- Prices to trend upward due to India's diversion of cane to ethanol production

Cocoa

- Unfavourable weather in Ivory Coast would lead to an increase in global prices. This is positive for Nigeria's export revenue